

Museum Licensing Case Study January, 2011

Given that intellectual property accounts for about 40% of the net asset value of all corporations in America,¹ for-profit entities have frequently had to contend with intellectual property-related issues. However, non-profits with a connection to knowledge and ideas, such as museums, can also benefit tremendously from seriously considering their approach to intellectual property. These institutions are akin to the media companies, software firms, and biotechnology entities that have such strong interests in intellectual property in the for-profit context. Though it may seem counter-intuitive, an open intellectual property strategy may be more beneficial to museums than to for-profits in the information business, because the mission of cultural heritage organizations extends beyond revenue creation to include preserving and disseminating ideas, expression, and knowledge. The following examples demonstrate how licensing and branding can benefit museums, licensees, and the public at large.

What Kinds of Intellectual Property?

All types of organizations have an intellectual property portfolio, and museums—which, at their core, are in the knowledge-disseminating business—are no different. For example, every museum has a brand that it must consider. Most obviously, museums also have the materials in their collections, along with the unique knowledge, expression, and ideas that surround their collections and exhibits. Museums may license their brand or loan the works that they hold, thereby obtaining revenue while increasing the dissemination of knowledge and expression. They may also license their brand or associate with the brand of another museum, as was the case with the Louvre in 2007.

The Louvre

The Louvre is one of the world's most recognizable museums. Its brand alone is tremendously valuable. In 2007, the French government [agreed to lease the name, art, and expertise of the Louvre](#) to a new museum in Abu Dhabi called the Louvre Abu Dhabi.² The agreement covers a 30 year period, and the amount to be paid to France totals over \$1.3 billion, divided among the [following payments](#): (1) \$525 million for the Louvre brand name; (2) \$247 million for art loans; (3) \$214.5 million for the Louvre's management advice; (4) \$253.5 for special exhibitions; and (5) a \$32.5 million donation to refurbish one of the Louvre's wings for the display of international art.³ After 20 years, the Louvre Abu Dhabi will [adopt its own name](#).⁴

¹ KAMIL IDRIS, INTELLECTUAL PROPERTY: A POWER TOOL FOR ECONOMIC GROWTH 34 (2002).

² Alan Riding, *Abu Dhabi is to Gain a Louvre of its Own*, NYTIMES, Jan. 13, 2007, <http://www.nytimes.com/2007/01/13/arts/design/13louv.html>.

³ Noric Dilanchian, *Louvre Abu Dhabi—Museum Licensing Shifts more than Revenues*, http://www.dilanchian.com.au/index.php?option=com_content&view=article&id=228:louvre-abu-dhabi-museum-licensing-shifts-more-than-revenues&catid=23:ip&Itemid=114 (last visited Jan. 25, 2010).

⁴ Riding, *supra* note 2.

The new Abu Dhabi will gain much more than the Louvre's name. Another component of the IP at the Louvre—the Louvre's unique artwork holdings—will also be making the trip to the United Arab Emirates, at least for a period of time. France will lease between [200 and 300 artworks](#) to the Louvre Abu Dhabi over a 10-year period.⁵ [The art includes](#) the painting “Esther Fainting Before Ahaseurus,” by Jean-Francois de Troy, and two Manets: “The Bohemian” and “Still Life With Bag and Garlic.”⁶ For Abu Dhabi, acquiring the rights to use the Louvre's name is a great way to give [credibility to a fledgling museum and gain an international spotlight](#) for the city's \$27 billion tourist and cultural development on Saadiyat Island, which also includes a Guggenheim Abu Dhabi, for which the Guggenheim brand also had to be licensed.⁷ In return, France gains a source of investment for its museums, as well as a [“way of enhancing \[the\] country's image,”](#) said the French culture minister.⁸

But the arrangement is not without opponents who feel that the government has moved too far toward commercializing its cultural institutions. [4,700 French traditionalists](#) signed an online petition objecting to the arrangement.⁹ Over-commercialization is a concern for any cultural heritage organization. Any museum pursuing similar ventures would be wise to ensure that its forays into brand development and exploitation do not compromise its essential message and function.

Product Licensing

A museum does not need to be world-renowned to benefit from its brand. In fact, certain qualities inherent in the concept of “the museum” can be utilized by most institutions. Visiting a museum brings to mind an educating, uplifting experience—a cultured, sophisticated pursuit—to which many businesses would want to associate their products.¹⁰ Steven Schwartz, vice president of the licensing agent for London's Victoria and Albert Museum, describes the museum brand as “a credibility and an authority that comes with giving a gift or buying something for yourself that has this heritage behind it.”¹¹ One might refer to this connection of the museum's brand with additional products as “brand extension”: “the use of an established brand name to enter a new product category.”¹² A recent study on brand extension in the arts recommended that the product introduced be simple to fabricate (a calendar), congruent with the business activities of the

⁵ *Id.*

⁶ Carol Vogel, *Abu Dhabi Gets a Sampler of World Art*, NYTIMES, May 26, 2009, <http://www.nytimes.com/2009/05/27/arts/design/27louv.html>.

⁷ Alan Riding, *The Louvre's Art: Priceless. The Louvre's Name: Expensive*, NYTIMES, Mar. 7, 2007, <http://query.nytimes.com/gst/fullpage.html?res=9503E1DD1531F934A35750C0A9619C8B63>.

⁸ Riding, *supra* note 2.

⁹ Riding, *supra* note 7.

¹⁰ Eliza Gallo, *Museum Quality*, LICENSING (2000).

¹¹ *Id.*

¹² Alain d'Astous et al., *An Experimental Investigation of the use of Brand Extension and Co-Branding Strategies in the Arts*, 21 J. OF SERVICES MARKETING 231 (2007) (internal quotations omitted).

organization (a calendar that highlights the birthdays of artists), and that it be co-branded (a Musee du Louvres calendar by Hallmark).¹³

The Victoria and Albert Museum uses its collections as starting points for new products, allowing licensees to use the V & A brand or translate material from the museum's archives into commercial and marketable themes.¹⁴ For example, an Art Deco exhibit in 2003 attracted 360,000 visitors, driving an Art Deco trend that boosted sales for licensees within the museum shops.¹⁵ Other highlights of the licensing program include "ceramic marble coasters inspired by Neoclassical urns from the museum's collection," and "a furniture collection with 18th-century echoes from John Widdicomb Inc."¹⁶ Manhattan's American Folk Art Museum has used licensing to generate revenue since 1978, resulting in licenses with "Andover Fabrics for printing fabrics designed for home sewing, Chronicle Books for notecards, Photo Folio for post-cards, Fun Quilts for limited-edition quilts, Galison/Mudpuppy Press for puzzles and stationary, Lees Pure Teas for teas in fancy tins with images from the museum's collection, Mammy Gift Wrap for gift wrap and accessories Mary Meyer for Christmas tree ornaments and wooden nutcrackers, and Ozone for socks."¹⁷

Branding

"Branding" refers to "the process of delivering a clear, consistent message about an organization over a period of time."¹⁸ A museum's brand development program need not be as extravagant as the deal concluded by the Louvre Abu Dhabi. Empirical data support the claim that brand development can be accomplished with relatively little cost. One researcher studied the Fine Arts Museums of San Francisco, the University of California Berkeley Art Museum and Pacific Film Archive, and the Asian Art Museum in San Francisco.¹⁹ She found that the key factor in successful branding was not the amount of money spent, but the effectiveness of communication of the museum's message, thus concluding that "branding can be a low-cost mean for promoting and communicating a museum's identity and mission."²⁰

Brand development might be as simple as designing a better web site. London's Natural History Museum employed the Internet in 2004 to "broaden its appeal online with a site that applies its brand consistently, is more easily navigated, and is entertaining and thought-provoking."²¹ Attractive websites can help museums reach people beyond their geographic base

¹³ *Id.*

¹⁴ *Crafty Licensing*, LICENSE! EUROPE.

¹⁵ *Id.*

¹⁶ Gallo, *supra* note 10.

¹⁷ Michele Gerber, *Folk Core*, LICENSE! (2006).

¹⁸ SeJeong Kim, *Understanding of Museum Branding and its Consequences on Museum Finance* (May 2008) (unpublished M.A. thesis, The University of Akron).

¹⁹ Tatyana D. Sizonenko-Leventhal, *Remodeling the Museum's Image through Branding: Benefits and Challenges Associated with Branding in the San Francisco Bay Area Museums* (2003).

²⁰ *Id.* at 13.

²¹ Sean Hargrave, *Breaking out of Glass Cases*, NEW MEDIA AGE, July 15, 2004, at 18.

and help extend the museum experience temporally, with patrons visiting the website before or after they visit the physical museum.²² Similarly, the Brooklyn Museum of Art has [built its own application on Facebook](#), ArtShare, that allows people to share and manipulate images of museum artwork.²³ Perhaps sensing a possible over-commercialization objection, the museum [went to great lengths to avoid the appearance of marketing](#) by giving away many of the images, making ArtShare itself free, and allowing Facebook members to share pictures from participating museums, such as the Metropolitan Museum of Art and the Walker Art Center in Minneapolis.²⁴ Sharing the images online even helps advance the museum’s educational mission, as members’ comments complement the work of the curators by identifying unique or interesting features of the image. A 1911 picture of baseball player Germany Schaeffer holding a camera, for example, [contained comments identifying the camera and providing biographical information](#) on the player.²⁵

Community Development

The economic impact museums have on their communities is also beginning to be understood by both parties. One study found that opening the Guggenheim Museum in Bilbao, Spain, had increased the number of monthly overnight stays in the city by 61,742 and created 907 jobs.²⁶ The city was able to recover its initial investment in the museum in about a decade, which the study called “possibly a world record.”²⁷ In the past, the City of Philadelphia has also [teamed up with its museums](#) to attract visitors to art exhibitions, offering special package deals with hotels, Amtrak trains, and airlines like US Airways.²⁸

²² *Id.*

²³ Dan Fost, *Killer Statue—Psyched About the Site!*, NYTIMES, Mar. 12, 2008, <http://www.nytimes.com/2008/03/12/arts/artsspecial/12social.html>.

²⁴ *Id.*

²⁵ *Id.*

²⁶ Beatriz Plaza, *The Return on Investment of the Guggenheim Museum Bilbao*, 30.2 INT’L J. OF URBAN AND REGIONAL RESEARCH 452 (2006).

²⁷ *Id.* at 464.

²⁸ Carol Vogel, *Rebuilding? It’s Time for Rebranding*, NYTIMES, Mar. 30, 2005, <http://www.nytimes.com/2005/03/30/arts/artsspecial/30brand.html>.